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3) Poll: 17% see economy as improving, 31% see foreign relations as worsening

ASAHI (Page 1) (Full)
May 21, 2006

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An increasing number of people are actually feeling that the economy has recovered, but much of the public also is feeling a growing disparity among the different regions of the country, according to findings from a poll released by the Cabinet Office yesterday.

The public opinion survey was conducted across the nation from January through March on a face-to-face interview basis. A total of 10,000 persons were chosen from among those aged 20 and over, and valid answers were obtained from 5,071 persons. In the survey, respondents were asked to pick one or more from among 24 areas where they thought Japan was changing for the better and where Japan was changing for the worse.

The proportion of those who picked Japan's economy as changing for the better sharply increased from 5.3% in last year's survey to 16.9% in this year's survey. The proportion of those who picked Japan's economy as changing for the worse decreased from 38.5% in last year's survey to 20.5% in this year's survey.

In the survey, respondents were also asked to pick one or more from among the same areas where they thought Japan was changing for the worse. In response to this question, 38.3% picked public security as worsening, topping all other areas. Even so, the figure shows a substantial decrease from 47.9% in last year's survey and went down for the first time since 1998. Those who picked Japan's foreign relations as changing for the worse accounted for 31.3%, up from 23.5% in last year's survey. The proportion of those who picked local disparities also increased from 9.7% to 15.0%.

4) Poll: Over 50% support gov't draft amendment to education law on patriotism

TOKYO SHIMBUN (Page 2) (Abridged)
May 22, 2006

According to findings from a poll released by Jiji Press yesterday on the issue of amending the Basic Education Law, more than 50% of the Japanese public answered "yes" when asked if they were in favor of the government's draft bill that incorporates the idea of patriotism. Broken down into political party supporters, 57.9% of those supporting the leading opposition Democratic Party of Japan (Minshuto) also answered "yes." In the survey, respondents were also asked if they were in favor of amending the law itself, and negative answers to this question accounted for a little less than 20% of all respondents. This will likely affect the Diet in its debate on the advisability of revising the law.

The survey was conducted across the nation on May 11-14 after the government presented an amendment bill to the Diet incorporating the wording "love our country and its land." A total of 2,000 persons were chosen for face-to-face polling from among those

aged 20 and over. The retrieval rate was 66.6%.

5) GSDF withdrawal may begin in July

NIHON KEIZAI (Page 1) (Full)
May 21, 2006

In the wake of the inauguration of Iraq's new government, Tokyo

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will begin seriously studying ways to pull out Ground Self-Defense Force troops from Samawah. Prime Minister Junichiro Koizumi plans to tell US President George W. Bush of Japan's basic policy of withdrawing GSDF troops and continuing to provide support for Iraq in their summit meeting in late June. The government will swiftly undertake coordination with Britain and Australia to begin pulling GSDF troops out of Samawah as early as July in tandem with their troops.

A government source indicated on May 20 that a GSDF pullout would not occur until after the Koizumi-Bush talks, adding:
"Coordination with concerned countries will be necessary. In view of the rotational period, it would be desirable to begin pulling out troops in July or later."

6) Completion of GSDF withdrawal before Koizumi's departure from office uncertain

ASAHI (Page 2) (Excerpts)
May 21, 2006

Following the establishment of a unity government in Iraq, the government will begin coordination in earnest to pull out Ground Self-Defense Force troops from Samawah. The government has concluded that of the four requirements for a pullout, two conditions - progress in recovery and progress in the political process - have now been met. But because the remaining two conditions - transfer of security authority and the trend of the US-led multinational force -- have not been met, the GSDF may not be able to withdraw from Iraq while Prime Minister Koizumi is in his office, his goal.

According to the government, Iraq's council on national security of concerned ministers including the interior and defense ministers will discuss the transfer of security authority with the United States and Britain. They will examine the security situation, progress in fostering Iraqi security authorities, and other factors of each area.

The transfer of security authority in southern Iraq, including Samawah, is expected to take at least one more month. GSDF pullout would not occur until then. There is concern in the government that as long as Prime Minister Nouri al-Maliki serves concurrently as security minister, the Iraqi government has no leeway to discuss the transfer of security authority.

Under such circumstance, the 10th GSDF contingency will complete replacing the 9th contingency in late May. The government will search for ways to pull out Japanese troops before the 10th contingency's tour of mission ends in August. With a withdrawal likely to take a couple of months, it remains to be seen if the GSDF can completely leave Iraq before Prime Minister Koizumi's term of office ends in September.

7) Japan to help rebuild Iraq even after SDF pullout: Koizumi

YOMIURI (Page 2) (Full)
May 22, 2006

Prime Minister Junichiro Koizumi said on May 21 that Japan would continue to help rebuild Iraq, even after it pulls out its Self-Defense Force troops from the war-battered country, but he gave

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no specific time frame for the withdrawal. During a visit to Kanazawa City, Ishikawa Prefecture, Koizumi told reporters:

"Japan will continue humanitarian support and reconstruction assistance. I think there will be other things to do to help Iraq even after the SDF are withdrawn from Samawah. The government will decide comprehensively (as to when pull out the SDF personnel)."

Koizumi welcomed the launch of Iraq's new government, saying:

"A government in the Middle East that is stable and never gives in to terrorism will benefit the international community as a whole. I think the country needs more time, but I would like to see the country's enthusiasm to build their country on their own. The international community will by all means support the country."

8) Government to start GSDF withdrawal from Samawah possibly next month, offer ODA

MAINICHI (Page 2) (Full)
May 21, 2006

Following the inauguration of the new Iraqi government on May 20, the Japanese government will soon start coordination with the new Iraqi government and the US to pull Self-Defense Force troops out of Samawah in the southern part of Iraq, possibly next month. Under the Japanese government's scenario, the government would decide to withdraw troops before the Japan-US summit set for late June and complete the withdrawal by the end of July, together with British and Australian troops, who have been in charge of maintaining security in Samawah.

Foreign Minister Taro Aso issued a statement welcoming the decision: "The political process set under a UN Security Council resolution has been completed." The Japanese government sees that security authority will be transferred first in southern Iraq. Even so, the actual situation is that the plan for withdrawing troops sometime between March and May envisioned by Japan, Britain, and Australia has been put off because of the delayed launch of the new government and the deteriorating security situation in Iraq. There is a possibility of increasing instability in Iraq that could eventually delay the withdrawal further.

Should the SDF withdrawal process move ahead in line with the government's scenario, the government would expand the areas subject to airlift activities by the Air Self-Defense Force between Kuwait and southern Iraq to cover Baghdad. By also adding United Nations staff members and materials to the airlift operations, the government aims to underscore its continued assistance for Iraq. The government has also decided to conclude a contract with the Iraqi government soon to offer 76.5 billion yen worth of yen loans for projects to repair thermal power plants and construct port facilities as part of its official development assistance (ODA)

9) Prime Minister: "Security alliance will deter" Taepodong launch

TOKYO SHIMBUN (Page 2) (Full)

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May 20, 2006

When asked late yesterday about the signs that North Korea is making preparations to launch a Taepodong long-range missile, Prime Minister Koizumi said: "Japan is endeavoring to secure safety while maintaining deterrence under the Japan-US Security Treaty. I think North Korea is well aware of this point." Koizumi thus indicated that North Korea is not in a situation where it will decide to launch a missile.

When asked if he would notify the people if the likelihood of a missile launch were to increase, Koizumi pointed out, "I don't

think we are in such a situation," adding, "I think the government's job is to take every possible measure to secure safety."

10) US military to deploy PAC-3 in Okinawa in current fiscal year against North Korea

NIHON KEIZAI (Page 1) (Full)
May 21, 2006

The governments of Japan and the United States decided May 20 to deploy the US military's Patriot Advanced Capability-3 (PAC-3) ground-to-air missiles at Kadena Air Base in Okinawa based on their final agreement on the realignment of US forces in Japan. The aim is to boost US deterrence against North Korean and Chinese missiles. Japan and the US will aim at operation of the system in the current fiscal year.

The PAC-3-centered missile defense system is designed to detect an enemy missile and intercept it before it lands. A sea-based Aegis vessel will first fire a Standard Missile-3 (SM-3) at an enemy missile flying outside the earth's atmosphere. In the event the MS-3 misses the target, a ground-based PAC-3 will intercept it in the terminal phase.

The PAC-3 has greater capability than the current PAC-2, which is designed chiefly to intercept aircraft. Japan has decided to deploy the PAC-3 at Air Self-Defense Force bases. The ASDF plans to deploy the PAC-3 at its Iruma base in Saitama, Hamamatsu base in Shizuoka, and others bases along with the US Kadena base.

There have been signs that a missile-testing facility in northeastern North Korea has been preparing to launch what seems to be a Taepodong-2 long-range ballistic missile. Japan and the United States intend to swiftly deploy the PAC-3 in Japan against such an unexpected event.

11) Gov't to cut spending on front line equipment to raise funds for US force realignment

YOMIURI (Page 1) (Abridged)
May 20, 2006

The government has decided to review its current midterm defense buildup plan (Chukibo) for five fiscal years from 2005 through 2009, totaling 24.24 trillion yen, and cut back on the budget for front line equipment in order to secure resources related to Japan's cost sharing for the realignment of US forces in Japan, officials said yesterday. The government is now coordinating to review the plan for the period of five fiscal years from 2007 or

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two fiscal years from 2008. The government will refer to a review of the plan in a cabinet decision to be made soon in order to implement a final report on the US military's realignment.

The United States has agreed to redeploy Marine Corps troops from Okinawa to Guam in the process of realigning US forces in Japan. The US government estimates this Marine relocation at 10.27 billion dollars, equivalent to 1.14 trillion yen in the fiscal 2006 budget. Japan, in its cost sharing for the relocation of Marine troops to Guam, is to pay 6.09 billion dollars or 676 billion yen, including 2.8 billion dollars or 310.8 billion yen to be outlaid from the state coffers and 1.5 billion dollars or 166.5 billion yen to be invested.

Meanwhile, the Defense Agency estimates the cost of realignment of US military bases in Japan at approximately 1.5-2.0 trillion yen, including economic stimulus measures for base-hosting localities. One official of the agency presumes Japan's share of costs for the US military's realignment in Japan will total over 2.0 trillion yen. In this case, Japan will have to outlay more than 200 billion yen on average each fiscal year so as to complete the force realignment in 10 years or so.

The Defense Agency wants to set up a separate budget slot for the

government as a whole to make up for these realignment costs as in the case of costs related to the Special Action Committee on Facilities and Areas in Okinawa (SACO). However, the Finance Ministry insists that the Defense Agency should handle the force realignment within the framework of its own budget slot.

However, the Defense Agency has shown understanding on reviewing the midterm defense buildup plan and reducing its budget to a certain extent for front equipment.

The current midterm defense buildup plan requires the government to review itself in 2007 as needed for the remaining period of two fiscal years. The Defense Agency says it still cannot grasp the total amount for Japan's cost sharing at this point. For this reason, the agency insists that the plan should be reviewed in fiscal 2007 as stipulated in the plan. However, the Finance Ministry has asked the Defense Agency to review the defense buildup plan one year earlier than scheduled.

The Defense Agency thinks that the current defense buildup plan's spending cuts would be limited because many of the government's planned large-scale projects are scheduled for fiscal 2010 or later, including the project of building an alternative facility at more than 300 billion yen for the relocation of the US Marine Corps' Futenma Air Station in the city of Ginowan, Okinawa Prefecture.

12) Japan, US agree to open a portion of Yokota RAPCON to commercial flights, now 190 flights per day; Flight time likely to be shortened by 1 minute

NIHON KEIZAI (Page 39) (Excerpts)
May 20, 2006

The Japanese and US governments agreed at a meeting yesterday of the commercial flights subcommittee under the Japan-US Joint Committee to open possibly as early as this autumn a portion of the airspace now controlled by the US military in Japan, commonly

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called "Yokota radar approach control" (Yokota RAPCON), to commercial flights. This move came as a stopgap measure ahead of the implementation of the agreement already reached between the two governments to return a part of the Yokota airspace by September 2008 as the numbers of landings and takeoffs by airliners at Haneda Airport will increase, following the completion of its expansion project.

According to the Ministry of Land, Infrastructure, and Transport and also other government offices concerned, Yokota RAPCON covers airspace above Tokyo and eight prefectures, and its highest altitude is about 7,000 meters. Commercial flights from Haneda Airport are forced to pass over it to avoid the airspace, and commercial flights heading for Haneda and Narita airports are forced to take a detour to avoid the airspace.

The United States has now allowed commercial airplanes to fly in the upper airspace covering 600 meters ranging from around Eda in Yokohama City to around Sagami Bay, if there are no military necessities. This move will affect the flight routes of 190 flights per day departing from Haneda Airport to head for the Hokuriku, Chugoku, Shikoku, and northern Kyushu regions. With this partial opening of the Yokota airspace, each flight can shorten its flight time by one minute or so.

13) Coordination underway for Japan-US summit on June 29; Chance to publicize good bilateral ties to audiences at home and abroad

SANKEI (Page 2) (Excerpts)
May 21, 2006

The governments of Japan and the United States are now coordinating to set up a summit meeting between Prime Minister Junichiro Koizumi and President George W. Bush on June 29 in Washington. Koizumi intends to underscore the "alliance in the world" theme in this, his last visit to Washington as a Japanese

prime minister prior to stepping down in September.

With the long-standing issue of realigning the US forces in Japan now resolved, as well as the possible resumption of US beef imports before the prime minister's visit to Washington, the summit will become an opportunity for the two leaders to show audiences at home and abroad the good state of bilateral ties. The leaders will exchange views on such issues as when Japan will withdraw its Self-Defense Forces from Iraq, the East Asia situation, including China and North Korea, Iran's nuclear development, and reform of the United Nations.

Koizumi will attend a dinner party hosted by the president and his wife. The two governments are now looking into a plan for Koizumi to visit the residence of his favorite singer, Elvis Presley, in Memphis, Tennessee.

14) Sakie Yokota, mother of Megumi Yokota who was abducted by North Korea, says, "I want the prime minister to take even half of the action that US president took"

YOMIURI (Page 4) (Full)
May 20, 2006

At a meeting on May 19 of a group of nonpartisan Diet members working on abductions by North Korea, Sakie Yokota, the mother of

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Megumi Yokota, one of those Japanese abducted by North Korea, made a specific request of Prime Minister Junichiro Koizumi:

"Even if he only does half of what US President Bush did, I would like Prime Minister Koizumi to clearly speak to the public about his eagerness to resolve the abduction issue. I want him to take visible action."

She then expressed her displeasure with him, stating, "I wanted to meet him, but he has yet to give me that chance."

In response to her remarks, Koizumi told reporters on the night, "I have been deeply impressed by the activities taken by Mr. and Mrs. Yokota. The government will make its utmost efforts to help them."

15) Government mulling continued cuts in ODA, defense spending for another five years starting in next fiscal year's budget

NIHON KEIZAI (Page 1) (Full)
May 22, 2006

The government and the ruling camp have started looking into the possibility of cutting official development assistance (ODA) and defense-related expenditures from the general-account budget for five years starting in the next fiscal year's budget. ODA and defense expenditures have been subject to cuts since fiscal 2002. The government and the ruling parties intend to maintain this as a basic policy even after Prime Minister Koizumi steps down in September. Since concerned government agencies and ruling party members will likely oppose such a policy, talks to coordinate views of concerned government agencies will likely encounter complications.

The Liberal Democratic Party (LDP) Spending Reform Project Team, chaired by Policy Research Council Chairman Hidenao Nakagawa, will launch full-fledged talks on the handling of ODA and defense expenditures at by-selective committees, headed by former Minister of Education, Culture, Sports, Science, and Technology Takeo Kawamura, starting this week. The Council on Economic and Fiscal Policy will also simultaneously discuss the same issue with the aim of having the continuation of the downward trend reflected in the 2006 basic policy guidelines on economic and fiscal management and structural reforms to be compiled in June.

The current fiscal year's ODA budget has been slashed for the seventh year in a row to 759.7 billion yen, down 3.4% from the previous year in general account terms. The dominant view in the

government and the ruling bloc is that the efficiency of ODA-financed projects should be enhanced through intensive appropriation of funds to strategic areas, such as environment-related areas or the use of nonprofit organizations. Talks will likely focus on a 3% cut for the next fiscal year.

The prime minister has pledged to the international community an increase in ODA to a total of 10 billion dollars over the next five years in terms of the number of projects. As such, the government plans to tap fiscal investment and loan funds to finance such ODA projects so that an increase of ODA appropriations from the general-account budget can be avoided.

The fiscal 2006 defense-related budget will likely be cut for the

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fourth consecutive year to 4.8139 trillion yen, down 0.9%, even if appropriations for SACO (Japan-US Special Action Committee on Okinawa)-related spending are included. In view of the prospect that the total share of Japan in the cost of USFJ realignment, which is estimated to reach 3 trillion yen over the next six years, will be added to the defense budget, the prevailing view in the government and the ruling camp is that it would be unavoidable to continue to cut defense-related expenditures, except for appropriations for USFJ realignment.

16) Prime minister: "The government will follow experts' decision," with eye on upcoming Japan-US summit

SANKEI (Page 3) (Excerpts)
May 20, 2006

Speaking before reporters last night, Prime Minister Junichiro Koizumi stated about a resumption of US beef imports: "We want to follow the experts' decision. Once both sides agree to import conditions, Japan will resume imports." Many observers see that the government's agreement on May 19 reflects its desire to resolve the issue before the Japan-US summit scheduled for late June, though government officials deny this. The agreement is in a sense a "political settlement."

In the Japan-US talks held before Japan resumed imports last December, they devoted considerable time to assessing the safety of US beef. This time, the focus of discussions was on import conditions, including auditing and snap inspections at meat-processing facilities in the US.

On the US side, President Bush has indicated expectations for an early resumption of imports, and in the Congress dissatisfaction is also growing. Some government officials are overheard murmuring that if the import ban drags on, the problem of food safety might develop into a trade dispute between Japan and the US.

Under such a situation, Prime Minister Koizumi will leave for the US in late June. He has envisioned that during their meeting, he and President Bush will reconfirm the Japan-US alliance in a global context and underscore the importance of Japan-US ties. The prime minister, who has built personal relations of trust with Bush, apparently has a desire to see the thorny beef issue resolved and bilateral pending issues minimized before meeting Bush.

17) Minshuto's Hatoyama criticizes government for agreeing to resume US beef imports: Priority given to US president over the food safety of the Japanese people

TOKYO (Page 2) (Full)
May 21, 2006

Secretary General Yukio Hatoyama of Minshuto (Democratic Party of

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Japan) gave speeches on May 20 in Nakazugawa City and other parts of Gifu Prefecture. In them, he referred to the Japanese government's decision to resume imports of US beef in mid-June,

linking it to Prime Minister Koizumi's planned visit to the United States in late June. He sharply criticized the government for its response, saying: "When it came to choosing between the relationship with President Bush and the safety and peace of mind

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(of the Japanese people), he chose the President and abandoned the people."

Hatoyama stated: "In the previous decision (last November), as well, the (decision in effect) to resume beef imports came just before the President came to Japan. It's the same again, with the Prime Minister all flustered just before his trip to Japan, thinking that there is little time left in order to make the decision (of beef) on time. I've never heard of a more stupid thing than this!"

18) Fate of 2,000 tons of stored US beef still up in the air

YOMIURI (Page 2) (Full)
May 21, 2006

The government's ban on US beef imports in January has left about 2,000 tons of the meat stored in freezers or refrigerators across the nation since it cannot clear customs. The government imposed a second ban after a specified material risk that could transmit BSE was found in a US beef shipment to Japan.

In a meeting of experts from the Japanese and US governments on May 19, both sides reached broad agreement to resume imports in July at the earliest. But they have not yet decided on how to deal with the stored beef. A document released after the meeting just noted: "No problem was found with the stored beef as a result of an examination of records."

The government expects to set a policy to handle the stored beef before it officially decides to resume imports in mid-June. Even if the beef were to clear customs and be placed on the market, however, it is uncertain whether wholesalers would purchase it. The trading firms involved have been in a great quandary.

19) Dairy cow in Hokkaido identified as 27th domestic case of BSE

TOKYO SHIMBUN (Page 3) (Full)
May 20, 2006

The Ministry of Agriculture, Forestry, and Fisheries yesterday announced that a dairy cow that had tested positive in the first BSE test finally checked out positive in the second test. This is the 27th domestic case of BSE.

The cow's meat and internal organs have been incinerated. They had not been placed on the market.

The cow is a female Holstein aged five years and eight months. It had been bred in Toyosu Town and died on May 16. The first test conducted by the Hokkaido Tokachi Livestock Hygiene Service Center tentatively turned out positive. The final test at the Animal Hygiene Service Center in Ibaraki Prefecture also turned out positive.

The cow was born in August 2000 before the use of meat and bone meals was banned in 2001.

SCHIEFFER